

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	CSSB 74(STA)
Fiscal Note Number:	15
(S) Publish Date:	4/16/2015

Identifier: SB074CS(STA)-DHSS-BHTRG-04-14-15  
Title: MEDICAID REFORM/PFD/HSAS/ER  
USE/STUDIES  
Sponsor: KELLY  
Requester: Senate Finance Committee

Department: Department of Health and Social Services  
Appropriation: Behavioral Health  
Allocation: Behavioral Health Treatment and Recovery  
Grants  
OMB Component Number: 3099

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits				(3,456.6)	(3,484.3)	(3,867.6)	(3,898.5)
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(3,456.6)</b>	<b>(3,484.3)</b>	<b>(3,867.6)</b>	<b>(3,898.5)</b>

## Fund Source (Operating Only)

1003 G/F Match				(3,456.6)	(3,484.3)	(3,867.6)	(3,898.5)
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(3,456.6)</b>	<b>(3,484.3)</b>	<b>(3,867.6)</b>	<b>(3,898.5)</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
---------------------------	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2016) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

## Why this fiscal note differs from previous version:

This fiscal note has been updated to reflect the bill sectional identifiers corresponding to the Senate State Affairs Committee Substitute for SB 74.

Prepared By: Albert E. Wall, Director  
Division: Behavioral Health  
Approved By: Sarah Woods, Deputy Director, Finance & Management Services  
Agency: Health & Social Services

Phone: (907)465-4841  
Date: 04/14/2015 05:00 PM  
Date: 04/14/15

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

**Section 4(5)** directs the Department to reduce the cost of behavioral health, senior and disabilities services provided to recipients of medical assistance under the state's home and community-based waiver. **Section 10** requires the Department to apply for "any waivers necessary" to implement this bill.

Behavioral Health will accomplish this by working with the Centers for Medicare and Medicaid Services to elect the Section 1915(i) option. This option will provide funds to cover services provided to Medicaid-eligible adults with demonstrated behavioral health needs that result in multiple admissions to inpatient or residential care. The population includes homeless, those re-entering from incarceration, and others who intermittently use services. These services are currently provided through behavioral health grants with 100% general funds. The Department anticipates that behavioral health grants will be reduced through the 1915(i) option beginning in FY2018 by the following amounts: FY2018 -\$3,456.6, FY2019 -\$3,484.3, FY2020 -\$3,867.6, FY2021 -\$3,898.5.

Specific services that are currently funded through General Fund grant dollars, but are eligible for Medicaid reimbursement will be transitioned to Medicaid reimbursement as grant funds decrease. Grants will not be completely eliminated as some services provided through grants are not reimbursable through Medicaid.